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Executive Secretary
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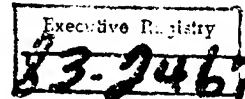
NSC review completed.



DEPARTMENT OF STATE

Washington, D.C. 20520

May 11, 1983

UNCLASSIFIED w/CONFIDENTIAL ATTACHMENTSMEMORANDUM FOR MR. DAVID E. PICKFORD
DEPARTMENT OF THE TREASURY

SUBJECT: SIG-IEP: UNCTAD VI Strategy

Under Secretary Wallis has asked that the attached set of strategy papers be referred to the SIG-IEP for Friday's meeting to complement the overall strategy paper distributed on May 9. All four papers were developed in interagency working groups or committees: the trade and commodities papers under the leadership of USTR; the money and banking paper under Treasury; and the "basket items" paper under State leadership.

Attachments:
As stated.

Charles Hill
Executive Secretary

cc: OVP
NSC
Agriculture
CEA
✓ CIA
Commerce
Defense
OMB
OPD
USTR

- Mr. Donald P. Gregg
- Mr. Michael O. Wheeler
- Mr. Raymond Lett
- Mr. William Niskanen

- Mrs. Helen Robbins
- Colonel John Stanford
- Mr. Alton Keel
- Mr. Edwin Harper
- Mr. Dennis Whitfield

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Trade Strategy for UNCTAD VI

I. Major U.S. Objectives

- (1) To turn UNCTAD toward a more constructive orientation and to persuade the conference to respect GATT's responsibilities for establishing international trading rules, providing dispute settlement mechanisms and conducting multilateral trade negotiations.
- (2) To present the case for U.S. trade policy as a constructive factor in LDC development prospects.
- (3) To encourage the UNCTAD Secretariat to adopt a more balanced approach in its analytical work on trade problems, specifically to deal with LDCs' trade regimes as well as the trade practices of developed countries.
- (4) To encourage the recognition by UNCTAD members that the solutions to international trade problems require appropriate policies by all countries, taking into account differences in individual countries' levels of development (including differences among developing countries).

In attempting to achieve these objectives, the U.S. delegation will face the following problems and constraints:

- The U.S. will be subjected to severe criticism on GSP. The G-77 already has indicated its intention to push the Syrian resolution on GSP that was presented to the 11th session of the Special Committee on Preferences. By June it will be clear that the Administration's GSP renewal proposal includes greatly intensified graduation from unilateral benefits for the advanced beneficiaries and an inducement for increased trade liberalization by them. These elements conflict with the Syrian and Buenos Aires resolutions and probably will become the targets of severe G-77 criticism for violating previously agreed UNCTAD resolutions and for undermining GSP.
- The majority of our Group B colleagues are likely to have greater flexibility than the U.S. in permitting UNCTAD to undertake activities in the gray area of

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UNCTAD-GATT overlapping responsibilities. This problem is likely to be most evident in the area of services, in which both the EC and the LDCs have reasons to support a more active UNCTAD work program than has been approved in the GATT. It's quite conceivable that the EC would decide to be extremely forthcoming on services, leaving the U.S. as the only delegation resisting a major UNCTAD work program in services. Other Group B members also are likely to be less rigid than the U.S. on other items on the trade agenda (e.g., examining the principles and negotiating procedures of the current trading system).

- The UNCTAD Secretariat's work on trade continues to be consistently biased against developed countries. The basic premise of the Secretariat is that developed countries' trade barriers against developing countries define the limits within which LDCs can develop their trading sectors. Practically no attention is given to the effects of developing countries' own economic and trade policies. As long as the Secretariat continues to serve the dual role of U.N. agency Secretariat and G-77 Secretariat, this bias is likely to continue.

- The United States and the rest of Group B do not accept the Secretariat/G-77 perception that the current trade situation represents the culmination of the existing system's inability to respond to secular structural changes in international trade and production. While we agree with the Secretariat on some of the weaknesses evident in the current system, we and the other Group B countries do not agree that the system needs to be replaced with a radically different system. Rather, we believe that the solution requires: 1) reversal of the cyclical economic decline; 2) full implementation of existing trade commitments; 3) significant reform of some elements in the current system (e.g., safeguards, dispute settlement, agricultural trade).

The U.S. has the following advantages in dealing with the trade issues at UNCTAD VI:

- In general the U.S. trade regime is more transparent than the trade policies of most countries -- our Group B colleagues as well as the developing countries. We would benefit by having more light cast on all countries' trading practices. Accordingly, we can support resolutions and activities that promote greater openness in the formulation and implementation of

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national trade policies, provided that there is participation by LDCs and that we're not left as the only country actually providing information to UNCTAD.

- We want to negotiate with the LDCs within the GATT for mutual improvements in market access. Several other members of Group B, as well as some LDCs, really do not want to negotiate; rather than open new export markets, they want primarily to protect their home markets for domestic production. While our willingness to conduct negotiations is contingent upon certain conditions being met (e.g., they must take place in GATT; advanced developing countries must make concessions), we at least are favorably disposed to exchanging concessions with LDCs in the GATT.

- The more responsible governments, both among LDCs and among the members of Group B, want to see UNCTAD decisions that the United States can support. They are willing to modify their positions somewhat to obtain U.S. agreement. The strong positions we have taken in the past year have made them nervous and thus strengthen our hand. The EC also is concerned that the U.S. might pursue in UNCTAD some of our trade disputes with them.

II. U.S. Approach

The U.S. will maintain its opposition to any UNCTAD activity that could be construed as a trade negotiation outside GATT. We will work closely with the other members of Group B to develop a common approach to trade at the Conference -- as long as there is Group agreement that negotiations leading to either trade concessions or new trade rules are the responsibility of GATT and, therefore, are excluded from UNCTAD's mandate by Resolution 1995 (UNCTAD's Charter) and by TDB Decision 45 (VII). We should seek a clear agreement on this point at the OECD Ministerial and the Williamsburg Summit. We should make it clear to the rest of Group B, the G-77 and the UNCTAD Secretariat that we are willing to stand alone if necessary on this issue; this message should be reiterated in all our remaining consultations on UNCTAD VI, including the Leeds Castle meeting, bilaterals with other UNCTAD members and coordinating sessions for Group B.

Assuming that the rest of Group B agrees with us on the above issue, however, we will work with the Group, especially the EC, to develop a unified, sound Group B position on the specific issues on the UNCTAD agenda. By mid-May, we will

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convey our positions on the individual trade issues to OECD capitals and suggest that all members send representatives from capitals to the Trade Committee Working Party on May 24-25. If that meeting reveals major differences with our Group B colleagues, we would make representations in capitals prior to delegations' departure for Belgrade.

The outer bounds of our flexibility on specific issues, at least with respect to the question of GATT-UNCTAD relative responsibilities, are described in TPSC Document 83-24. Within these bounds, however, we should be prepared to support actively UNCTAD resolutions that have the potential of helping to reduce protectionism.

We have no major trade initiative with which to counterbalance the negative impact of our GSP renewal proposal.

Among the G-77 and UNCTAD Secretariat proposals on which the U.S. can be forthcoming (subject to the limitations specified in the respective position papers) are the following:

- Agree to national reviews of trade legislation, regulations and administrative procedures with a view to improving the procedures and eliminating properly defined trade harassment.
- Support an UNCTAD reaffirmation of the GATT Ministerial commitment to avoid new protectionist actions and support an effort by all countries to join in a mutual rollback of existing protectionist and trade-distorting measures.
- Explore the feasibility of special provisions in GSP schemes for LLDC's, such as including all dutiable products in the program, waiving competitive need limits or granting higher de minimus exclusions, and liberalizing cumulative rules of origin.
- Agree to a continuation of the UNCTAD Secretariat's effort to develop a computerized data base of governmental measures affecting trade, provided data on LDCs and socialist countries are included. This would be a voluntary activity, not a rival notification requirement to that in the GATT.
- Under the subject of "principles and techniques for future multilateral trade negotiations", encourage

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UNCTAD to support the liberalization of North/South trade, making it clear that negotiations could take place only in GATT.

- Actively support GSTP (Global System of Trade Preferences) negotiations among LDCs, provided UN and GATT principles were upheld.
- Define an appropriate UNCTAD role in examining trade in services, provided the role does not divert effort from the GATT Ministerial follow-up in this area.
- Support an UNCTAD examination of all countries' recent experience with import relief and structural adjustment.
- Support an UNCTAD examination of the pattern of export finance and insurance for exports from developing countries, in order to determine if there are adequate facilities supporting LDC export expansion.
- Agree that the UNCTAD Secretariat can examine the impact on LDCs of existing rules and principles of the trading system, including the application of differential treatment, provided there are strong terms of reference for such an examination. Authority for such a study, however, must not prejudge the conclusion of the study nor suggest that UNCTAD will have any responsibility for establishing new binding rules.

III. Signals

We may face a confrontation on GSP, services or UNCTAD-GATT responsibilities. It is essential, therefore, that in the weeks leading up to Belgrade, the United States give a consistent message to Group B, the G-77, and the Secretariat that in the trade area as in others the U.S. will hold firmly to sound positions. In attempting to lower the G-77's expectations, however, we must avoid the sort of confrontational tone that would encourage them to adopt a nothing-to-lose radical stance. In other words; we should show interest in discussing UNCTAD VI trade issues with any countries interested in a successful conference and we should indicate our intention to participate actively at UNCTAD VI, but we will not agree in advance to any concessions in trade nor suggest that concessions on policy or principle will be forthcoming.

IV. Background

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In the trade agenda of UNCTAD VI the G-77 will stress trade reforms, most of which we traditionally have viewed as encroachments on the mandate of the GATT. On the other hand, trade does not entail the high financial costs or massive resource transfers that demands in the commodity and financial areas usually involve.

Underlying the LDC position on trade is a conviction that the rules of trade are not working fairly because it is too easy for major trading nations to evade them. For many years, the developing countries have pushed for adoption of new legal principles, with more binding force than present GATT agreements, to govern trade relations. LDCs also argue that these new principles should be negotiated within UNCTAD, which unlike the GATT is a universal organization. Their arguments ultimately lead to the idea of reviving the International Trade Organization (ITO), which in its original structure would have included the GATT agreements as a code governing commercial policy practices.

A. The U.S. Perspective

The United states agrees with the majority of UNCTAD members that protectionism is wrong and that protectionist practices should be eliminated. We also agree with the LDCs that a number of current trade practices depart substantially from the letter and spirit of the GATT, and that efforts at reform are called for. The GATT Ministerial was a disappointment precisely because our desires for a strong commitment to free trade and to an ambitious work program leading to reforms were not acceptable to all parties.

In principle, therefore, UNCTAD could serve U.S. trade policy objectives by strengthening international commitments to trade liberalization, greater transparency in trade practices, and structural adjustment. In practice, however, the highly politicized atmosphere in UNCTAD, which is reinforced by the Group system of negotiating and which permeates the Secretariat, works against a reasonable level of obligations on the part of developing countries. The Buenos Aires draft resolution on trade offers little basis for optimism on this point. Despite all the G-77's and UNCTAD Secretariat's touting of the "new pragmatism" and "moderation" at Buenos Aires, the trade resolution lacks any reference at all to the trade policies of the developing countries themselves. This omission is neither logical nor politically acceptable; unfortunately, it probably is necessary to maintain unity within the Group of 77. Unless the developing countries are willing to open the door at

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least a crack on the issues of developing countries' responsibilities and differentiation among LDCs, it is doubtful that UNCTAD VI can contribute significantly to U.S. trade policy objectives. Nevertheless, the U.S. delegation should negotiate actively at Belgrade to incorporate our perspective in the conference resolutions.

B. Group B Views

We still do not have detailed reactions by other Group B countries to the G-77's Buenos Aires resolution on trade. We do know, however, that the German government, which holds a key role in preparing EC papers on trade, has been considering favorably a number of the G-77 and UNCTAD Secretariat recommendations. These views, still not fully cleared within the FRG or accepted by the EC, include domestic review of import relief legislation, special treatment of LLDCs, greater effort to avoid protectionism, and discussions in UNCTAD on safeguard criteria. The FRG would also be willing to acknowledge a general link between safeguard actions and structural adjustment. Finally, the Germans are also looking for ways to channel UNCTAD discussion on structural adjustment along the lines of an OECD study, The Case for Positive Adjustment Policies, referred to on page 49 of the UNCTAD document.

The EC permanent representatives expect to agree on the Commission's UNCTAD position on May 18 and send it to the Foreign Affairs Council on May 24th for final approval. Position papers on specific agenda items will be sent to the EC North-South Group in early May.

From consultations with other Group B members in Paris, and Geneva and from reporting cables from capitals, it appears that Group B thinking on the UNCTAD trade issues is forming along these lines:

a. Australians are inclined to let UNCTAD work on issues not making progress in the GATT, e.g., agricultural protectionism. Australia believes that on trade the EC will stonewall behind buzzwords at UNCTAD VI. Australia points to EC practices, especially in agriculture, as evidence of the inadequacy of present trade rules and national practices.

b. Except for Australia, there is no enthusiasm to have UNCTAD examine in detail national policies and measures.

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c. Australia, supported by Switzerland, advocates going beyond the GATT Ministerial declaration in promoting a freeze on protectionist activities. Canada and the OECD Secretariat question the advisability of a "standstill" pledge in UNCTAD since the legal basis and follow-up mechanism do not exist in UNCTAD.

d. Apparently, Australia would not oppose UNCTAD work on services, since it believes the EC will never agree to a meaningful services work program in the GATT.

e. Germany proposes that UNCTAD elaborate criteria for structural adjustment, but insists that actual negotiation of new discipline take place in GATT.

f. Germany and Canada suggest that UNCTAD could endorse GATT activities such as work on safeguards and non-tariff barriers. EC representatives caution that endorsement of GATT work could have strings attached.

g. All agree that future UNCTAD implementation of Resolution 131(v) on structural adjustment and protectionism should entail no new UNCTAD machinery.

h. Japan, the EC, Australia and New Zealand appear to have an open mind toward the G-77 suggestion for a World Trade Conference. Australia was most positive; the EC warned about "excessive negativism" toward the idea.

C. The U.S. and Group B: Search for a Common Approach

A key question for Group B in considering the G-77 and Secretariat proposals is: What is an appropriate and desirable division of labor between GATT and UNCTAD in the trade field? Both the U.S. and most of Group B have consistently opposed past UNCTAD attempts to negotiate specific trade issues, either by using economic arguments to counter UNCTAD initiatives or by pointing out pre-existent GATT competency in the area. However, many in Group B, including the Community, are more inclined to let UNCTAD examine and reach conclusions on trade issues which are more important to the U.S. (e.g., services) and which we would rather treat solely in the GATT. Often, they argue that no matter what UNCTAD conclusions emerge, governments are not obligated to carry them out.

On trade, as on most everything else, the U.S. takes a hard-line position within Group B. Although we recognize that UNCTAD has a trade mandate, our traditional approach has

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been to insist that Group B resist UNCTAD efforts to expand its trade activities into areas which overlap pre-existing GATT competency or prejudice on-going GATT work programs. With the GATT Ministerial behind us, we would also be inclined to restrict UNCTAD activities in areas which have seen little GATT progress in the past but which are included in the follow-up to the GATT Ministerial.

Nevertheless, we have to deal with the likelihood that UNCTAD is here to stay, and that LDCs will continue to regard it as their forum to pressure the industrialized countries. Thus, the challenge facing the U.S. in Group B is finding something constructive for UNCTAD to do, while preserving the existing mandate of the specialized agencies and not prejudicing their future work.

D. Group D's Views
(to be provided)

E. The G-77's Views

At the fifth Ministerial Meeting of the Group of 77 in Buenos Aires (March 28 - April 9), the LDCs agreed upon the resolutions that they will present for negotiation at UNCTAD VI. The trade resolution includes the following major elements:

a) Protectionism

- standstill of developed country restrictions on LDC exports;
- immediate elimination by developed countries of all measures adversely affecting LDC trade that are incompatible with international trade commitments;
- time-bound rollback of all developed countries' protectionist measures affecting LDCs;
- suspension of antidumping duties and countervailing duties against LDCs, and suspension of ongoing investigations;
- immediate negotiations (not stated where) on an improved multilateral safeguard system;
- significant reductions in internal taxes levied by developed countries on products imported from LDCs.

b) Structural Adjustment

- urgent measures to achieve the objectives of the Lima Declaration (25% of world industrial production for LDCs by the year 2000; they have about 7% currently)

- specific programs by developed countries to facilitate structural adjustment in those sectors in which developed countries have applied protectionist measures during long periods or on repeated occasions;

- undertake a study by UNCTAD of the consequences of concentrating economic power in agro-industrial production and propose measures to strengthen LDC participation in production and trade in agro-industrial products;

- adoption of measures to assist LDCs in establishing export finance and insurance facilities;

- developments of means to provide guarantees concerning the quality and performance of capital goods and technology imported by LDCs.

c) GSP

- preservation of existing benefits and significant improvements in scope of schemes;

- establishment by UNCTAD of multilateral guidelines for the operation of GSP;

d) Trading System Rules and Principles

- in-depth study by UNCTAD of rules and principles of international trading system (already recognized as "not adequate, equitable, efficient or effective"), with a view to establishing a new set of rules and principles leading to a universal system.

e) Services

- UNCTAD development of programs to increase LDCs' participation in international trade in services;

- technical assistance by UNCTAD Secretariat for LDCs in the area of services;

- UNCTAD development of recommendations for mechanisms of multilateral cooperation in services that may benefit

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LDCs; such mechanisms should ensure differential and more favorable treatment to LDCs.

The developing countries feel that the Buenos Aires resolutions represent a more pragmatic approach than the G-77 approach to previous meetings of UNCTAD. They have presented these draft resolutions as negotiable documents rather than as final demands.

F. The UNCTAD Secretariat's Views: The UNCTAD Secretariat's document for the trade agenda item (Document TD/274) complements the G-77's Buenos Aires positions. The Secretariat report first reviews the state of the trading system from the point of view of LDC trade relations with the industrialized world. This review covers familiar issues of protectionism, structural adjustment, graduation, decline of the normative strength of GATT rules, and so on.

While the Secretariat's view of world trade relations closely parallels the view of the G-77, its conclusions are less unbalanced and provocative. The document ends with a set of recommendations for national and international action to "improve and strengthen the international trading system." In brief, these include:

- a. a national and international commitment to refrain from new protectionist actions;
- b. monitoring at the national and international level of existing practices which impede trade;
- c. reviews of the principles, policies and practices of international trade, especially the economic criteria used for taking protective actions;
- d. national and international measures to foster structural adjustment through a coordination of positive adjustment measures.

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UNCTAD VI -- COMMODITIES

Problem

Commodity policy will be a major issue at the upcoming UNCTAD VI meeting in Belgrade (June 1983). UNCTAD is calling for drastic interim commodity market support measures to stem the sharp fall in commodity prices as well as establishment of a new financing facility to ease shortfalls in commodity-based export earnings and an expanded UNCTAD and developing country role in commodity processing, marketing, distribution, and investment. Their proposals have been, in essence, endorsed by the G-77. Moreover, many of the Group B countries are apparently eager to shift the focus of UNCTAD VI discussions to commodities, where they see UNCTAD as having a more legitimate and established role than in trade or financial matters.

The U.S. Government's overall stance on commodity policy as well as its positions on the specific issues must be consistent with our overall objectives at UNCTAD VI, which are basically aimed at promoting an atmosphere of cooperation rather than confrontation but, at the same time, seek to force UNCTAD discussions and activities onto a more realistic footing, consonant with the economic and political philosophy of this Administration. It should also reflect the USG belief that commodity initiatives can play only a limited role in LDC economic growth. This Administration has made clear its great skepticism as to the value of price stabilization-type commodity agreements; but a number of actions have been taken (e.g., renegotiation of the Coffee Agreement) in support of agreements of which we are already members.

Recommendations

The core of the U.S. approach to UNCTAD VI commodities issues should be a continuation of our carefully-qualified support for the Integrated Program on Commodities (IPC). All this really means is that we are not reneging on our previous approval of UNCTAD Resolutions 93(IV) and 124(V). As we have proven over the past 7 years, this commits us to nothing--except a willingness to continue discussions where we judge that some form of cooperation might be feasible. The U.S. delegation would continue to make clear our skepticism as to the value of price stabilization-type commodity agreements. At the same time, however, the United States would reject calls for new and expensive initiatives in the commodities area. Most of the major proposals put forth by UNCTAD Secretariat fall in this category and bear little resemblance to what can be realistically achieved.

More specific recommendations are outlined below:

1. Continuation of the IPC. The United States could join a Group B consensus reiterating its carefully qualified support for the IPC, noting the modest achievements of that effort (i.e., conclusion of existing commodity-agreements--in particular,

- 2 -

rubber; progress towards the establishment of "other measures" agreements--especially jute and tropical timber, etc.). U.S. delegation could therefore associate itself with appropriately qualified hortatory resolutions calling for further progress in the IPC. The scope of such resolutions should effectively be limited to language of [redacted] similar resolutions approved by the United States in UNCTAD V, the Trade Development Board (TDB), and the UNCTAD Committee on Commodities, which do not commit the United States to any specific negotiations. U.S. del should, however, express our skepticism as to value of price stabilization agreements and point out the difficulties which such agreements can engender.

2. Commodity Price Stabilization Agreements. The United States should indicate, both at UNCTAD VI and at appropriate occasions prior to that conference, its intention to continue its case-by-case approach to commodity agreements. U.S. del would, however, underline USG skepticism about the benefits of price [redacted] stabilization agreements and make clear that we are unlikely to participate in any new agreements of this type. The U.S. del should also make clear that the pursuit of discussions on individual commodities does not imply an obligation to conclude an arrangement. In most cases, the appropriate conclusion might be that no international commodity agreement is desirable.

3. Commodity Finance Issues. The cyclical downturn in commodity prices in 1981-82 associated with stagnant economic [redacted] in the industrial countries has given renewed impetus to ILLEGIB initiatives designed to compensate commodity-dependent developing [redacted] for resultant shortfalls in export earnings. ILLEGIB [redacted] under guidelines of Resolution 125(V) passed by the Manila Conference (the United States and most other Group B countries [redacted] voted against this resolution or abstained), the UNCTAD ILLEGIB Secretariat has developed a proposal calling for short-term ILLEGIB (modify the IMF's Compensatory Finance Facility (CFF)) and long-term (create a new compensatory facility) actions. In addition, [redacted] developed countries, including Sweden and West Germany, have ILLEGIB made proposals that either would be aimed at LLDCs and/or would [redacted] the existing EEC STABEX scheme. At Buenos Aires, the G-77 ILLEGIB [redacted] a resolution calling for the convening of a preparatory ILLEGIB for a negotiating conference on a new financing facility [redacted] December 1983.

The U.S. del should oppose any further UNCTAD discussion or study of compensatory financing, again asserting that IMF is the proper forum for such discussion. Similarly, the U.S. del should oppose the convening of any meeting ("preparatory" or otherwise) to discuss this issue. In voting against Resolution [redacted], the United States cited the inappropriateness of under- ILLEGIB taking a study of compensatory financing outside the IMF. However, now that the UNCTAD study and proposals are completed, it is the U.S. position that they should be referred to the IMF/IERD Development Committee for review.

- 3 -

4. The U.S. del may indicate that we would be willing to participate in "other measures" agreements (i.e., non-price stabilization agreements--devoted to market research and development and exchange of information) if it appears that such agreements will serve a useful function and where they meet certain criteria (along the lines developed for the International Jute Agreement). However, the USG would also seek to have the possibility that the private sector (rather than a multinational body) could handle such activities thoroughly explored.

5. We should reject the emergency program of interim commodity agreements proposed by UNCTAD.

6. The USG would be willing to explore the possibility of establishing producer-consumer fora for commodities--in particular, minerals--as long as such fora would not be involved in market stabilization activities.

7. The USG should maintain its current position on the Common Fund--namely, that the USG is prepared to consider ratification when a sufficient number of suitably structured commodity agreements have declared their intention to associate with the Fund.

8. The U.S. del should have flexibility with respect to the establishment of "frameworks of international cooperation" for the expansion of LDC participation in the processing, marketing, and distribution of commodities; the delegation could accept the designation of the UNCTAD Committee on Commodities as a framework (with appropriate qualifications) or a resolution establishing "a conceptual framework." The U.S. del could support reorientation of the International Trade Center towards work on expanding the LDC role in the marketing and distribution of commodities. It should support the initiation of an UNCTAD examination of national and international obstacles to the free flow of investment in commodities.

9. The U.S. del could agree to a general review of commodity agreements within UNCTAD if it: (a) did not infringe upon the autonomy of individual agreements and (b) permitted consideration of the possible adverse effects of commodity agreements.

The recommendations outlined above are aimed at developing a USG position sufficiently flexible and forthcoming to: (a) provide a basis for maintaining Group B unity on most commodities issues at UNCTAD VI and (b) secondarily, to offer some hope of accommodation with the G-77 on most of these issues at the Conference. It is probably unavoidable, however, that the U.S. del will have to stand alone on certain resolutions

- 4 -

concerning commodities--in particular, commodity finance issues. The recommendations are also designed to avoid any new commitments in the commodities area involving significant budgetary outlays or important compromises in the economic and political philosophy of the United States or in its economic interests. In pursuing the recommendations, the U.S. del should emphasize the economic soundness of our positions and our willingness to engage in a constructive dialogue.